

## 1345.4 - SA Stats, Aug 2008

Previous ISSUE Released at 11:30 AM (CANBERRA TIME) 26/08/2008

# Summary

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#### **Feature Articles**

South Australia's Agriculture Industry



#### **Demography**

Includes: **Estimated resident population, Components of population change**  
South Australia's population increased 1.0% for the year ended 31 December 2007.



#### **Labour Force**

Includes: **Contents, Employed persons, Unemployment, Participation rate**  
South Australia's unemployment rate remained steady at 4.8% in July 2008.



#### **Incomes**

Includes: **Average weekly earnings**

Average weekly earnings for South Australian males increased 4.8% in the year to May 2008, while female earnings increased 1.2%.



#### **State Accounts**

Includes: **State accounts, Household final consumption expenditure (HFCE)**  
South Australia's State Final Demand increased 1.1% in the March quarter 2008.



#### **Consumption**

Includes: **Retail trade, New motor vehicle sales**

South Australia's retail turnover increased 0.5% in June 2008.



#### **Investment**

Includes: **Private new capital expenditure, Mineral and petroleum exploration expenditure**

South Australia's expenditure on Buildings and structures exceeded that on Equipment, plants and machinery in the March quarter 2008.



#### **Construction**

Includes: **Building approvals, Construction work done**

The total number of dwelling units approved in South Australia increased by 2.4% from May 2008 to June 2008.



#### **Price Indexes**

Includes: **Contents, Consumer price index, Wage price index, House price index**

The price index for established houses for Adelaide rose 16.2% for the year ended June quarter 2008.



#### **Housing Finance**

Includes: **Housing finance commitments**

Total value of housing finance commitments (owner occupier) in South Australia decrease seven months in a row.



#### **International Merchandise Trade**

Includes: **Exports and Imports**

The value of South Australia's merchandise exports was \$906m in June 2008 (up 13.0% from June 2007).



#### **Water**

Includes: **Rainfall, Reservoir levels**

The Bureau of Meteorology reports total water storage in Adelaide's reservoirs was at 51% of capacity at the end of July 2008.

## In this issue

### NOTES

### FORTHCOMING ISSUES

ISSUE	Release Date
September 2008	30 September 2008
October 2008	28 October 2008
November 2008	25 November 2008
December 2008	18 December 2008
January 2009	27 January 2009

### WHAT'S NEW THIS MONTH

Topics which have been updated with new data in this month's issue of **SA Stats** include: Labour Force; Incomes; Consumption; Construction; Price Indexes; Housing Finance; International Merchandise Trade; and Water.

A new article, 'South Australia's Agriculture Industry', is included in this month's **SA Stats**. This article provides an overview of South Australia's agriculture industry using data from multiple sources, with an overview of how it has changed over the ten years between 1996-97 and 2006-07.

This month's issue of **SA Stats** shows the house price index for established houses in Adelaide rose 0.4% in the June quarter 2008. However, the percentage increase for the year (from June 2007 to June 2008) for Adelaide (16.2%) was the largest of all Australian capital cities.

The average home loan commitment for owner occupied dwellings in South Australia in June 2008 was \$193,100, showing little change from June 2007 (\$193,500). Between June 2007 and June 2008, the average loan size for first home buyers has increased 9.6% (from \$207,300 to \$209,300). Over the same period, the average loan size for non-first home buyers has decreased 1.1% (from \$192,500 to \$190,300).

### INQUIRIES

For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or James Inglis on Adelaide (08) 8237 7405, or email [sa.statistics@abs.gov.au](mailto:sa.statistics@abs.gov.au).

## Feature Articles



## FEATURE ARTICLES

Aug 2008	<a href="#"><u>South Australia's Agriculture Industry</u></a>
July 2008	<a href="#"><u>New Dwelling Approvals in South Australia</u></a>
May 2008	<a href="#"><u>Literacy of South Australians</u></a>
April 2008	<a href="#"><u>South Australia's Migrant Population</u></a> <a href="#"><u>South Australia's Ageing Population and the Labour Force</u></a>
Feb 2008	<a href="#"><u>South Australia's Mining Industry</u></a> <a href="#"><u>Water Supply in South Australia</u></a>
Jan 2008	<a href="#"><u>Labour Force Underutilisation and the Underemployed in South Australia</u></a> <a href="#"><u>Water Use in Agriculture - A South Australian Perspective</u></a>
<b>2007</b>	
Nov 2007	<a href="#"><u>Sports Attendance in South Australia</u></a> <a href="#"><u>Recorded Crime - Victims, South Australia, 2006</u></a>
Oct 2007	<a href="#"><u>Attendance at Cultural Venues and Events by South Australians</u></a>
Aug 2007	<a href="#"><u>Children's Participation in Cultural and Leisure Activities - South Australia, 2006</u></a>
Jul 2007	<a href="#"><u>South Australia's big picture: Census highlights the changes in South Australian society</u></a> <a href="#"><u>Participation in Sports and Physical Recreation Activities - South Australia</u></a>
May 2007	<a href="#"><u>Health of South Australians - Body Mass</u></a> <a href="#"><u>Household Use of the Internet in South Australia</u></a>
Apr 2007	<a href="#"><u>Employment in the Retail Trade Industry in South Australia</u></a> <a href="#"><u>River Murray - South Australia</u></a>
Mar 2007	<a href="#"><u>Household Waste Management in South Australia</u></a>
Feb 2007	<a href="#"><u>Births - South Australia</u></a>
Jan 2007	<a href="#"><u>Gross Domestic Product and Gross State Product</u></a>
<b>2006</b>	
Dec 2006	<a href="#"><u>Rainfall in South Australia, South Australian Reservoirs, Water Consumption</u></a>
Nov 2006	<a href="#"><u>Health of South Australians - Health related actions</u></a>
Oct 2006	<a href="#"><u>National Regional Profile - New Release, New Features</u></a>
Sep 2006	<a href="#"><u>Fuel Production and Consumption, Greenhouse Gas Emissions, Land Use Change and Forestry</u></a>
Aug 2006	<a href="#"><u>Health of South Australians - Health Risk Behaviours</u></a> <a href="#"><u>The South Australian Grape Industry</u></a>
Jul 2006	<a href="#"><u>Use of IT By Australian Businesses</u></a> <a href="#"><u>Household use of the Internet in South Australia</u></a>
May 2006	<a href="#"><u>Health of South Australians - Health Status</u></a>
Apr 2006	<a href="#"><u>International Trade in Services</u></a> <a href="#"><u>International Students in South Australia</u></a>
Feb 2006	<a href="#"><u>Labour Force and Other Characteristics of Migrants in South Australia</u></a>
Jan 2006	<a href="#"><u>Survey of work in selected Culture &amp; Leisure Activities</u></a>
<b>2005</b>	
Nov 2005	<a href="#"><u>Household Income in South Australia</u></a> <a href="#"><u>Household Expenditure in South Australia</u></a>
Oct 2005	<a href="#"><u>SA Business and Innovation</u></a> <a href="#"><u>Recent History of Population change in South Australia, 1993-94 to 2003-04</u></a>
Aug 2005	<a href="#"><u>Average Weekly Earnings</u></a> <a href="#"><u>Transition from School</u></a>
Jul 2005	<a href="#"><u>Carers in South Australia</u></a>

# Demography



## DEMOGRAPHY

### ESTIMATED RESIDENT POPULATION

The estimated resident population (ERP) for South Australia was 1,591,900 at 31 December 2007, an increase of about 16,500 persons (1.0%) since 31 December 2006. Nationally, the ERP was 21,180,600 at 31 December 2007, an increase of about 331,900 persons (1.6%) since 31 December 2006.

#### Estimated resident population, Preliminary data

	Population at end December quarter 2007 '000	Change over previous year '000	Change over previous year %
New South Wales	6 927.0	72.9	1.1
Victoria	5 246.1	82.4	1.6
Queensland	4 228.3	96.9	2.3
South Australia	1 591.9	16.5	1.0
Western Australia	2 130.8	49.5	2.4
Tasmania	495.8	4.1	0.8
Northern Territory	217.6	5.0	2.4
Australian Capital Territory	340.8	4.5	1.3
<b>Australia(a)</b>	<b>21 180.6</b>	<b>331.9</b>	<b>1.6</b>

(a) Includes Other Territories comprising Jervis Bay Territory, Christmas Island and the Cocos (Keeling) Islands.  
Source: Australian Demographic Statistics (cat. no. 3101.0).

In 2006-07, the South Australian Statistical Division (SD) with the largest increase in ERP was Outer Adelaide (2.0%) followed by Adelaide (1.1%).

#### ESTIMATED RESIDENT POPULATION, By Statistical Division, South Australia(a)

	2006		2007	
	Population at 30 June '000	Change over previous year %	Population at 30 June '000	Change over previous year %
Adelaide	1 146.1	1.0	1 158.3	1.1
Outer Adelaide	128.9	2.4	131.5	2.0
Yorke and Lower North	45.6	0.9	46.0	0.9
Murray Lands	69.5	0.5	69.8	0.4
South East	64.6	0.7	65.0	0.5
Eyre	34.8	0.4	34.9	0.4
Northern	78.7	-0.2	79.2	0.6
<b>South Australia</b>	<b>1 568.2</b>	<b>1.0</b>	<b>1 584.5</b>	<b>1.0</b>

(a) Estimates for 2007 are preliminary.

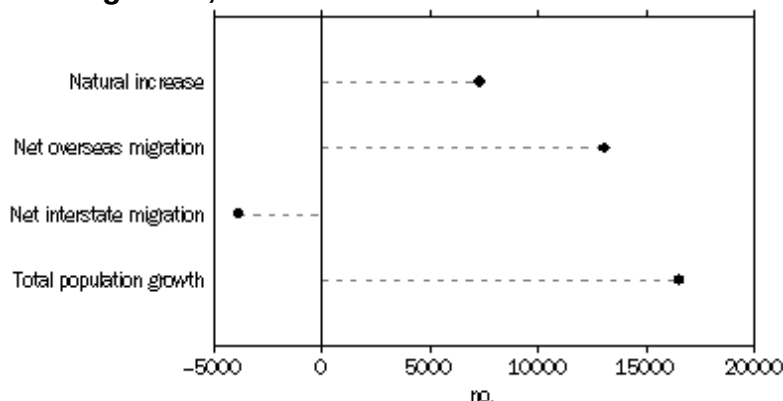
Source: Regional Population Growth, Australia 2006-07 (cat. no. 3218.0)

## COMPONENTS OF POPULATION CHANGE

For the year ended 31 December 2007, South Australia recorded a natural increase (i.e. the net of births and deaths) of 7,300 persons. Net overseas migration provided a gain of 13,100 persons in the same period while net interstate migration realised a loss of 3,800 persons.

For the year ended 31 December 2007, Australia recorded a natural increase in population of 147,400 persons; net overseas migration resulted in a gain of 184,400 people.

**Population growth, South Australia - Year ended December 2007**



Source: Australian Demographic Statistics (cat. no. 3101.0)

## Labour Force



### LABOUR FORCE

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[Employed persons](#)

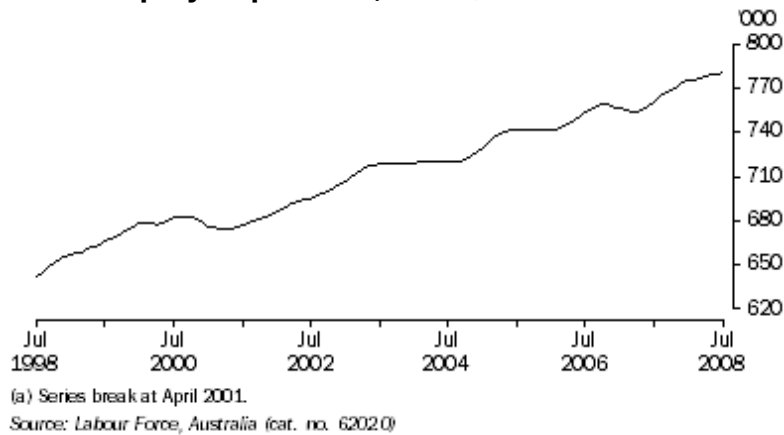
[Unemployment](#)

[Participation rate](#)

#### EMPLOYED PERSONS

In trend terms, the total number of persons employed in South Australia in July 2008 was 780,800, an increase of 1,200 from the number of persons employed in June 2008 (779,600). The total number of persons employed in Australia in July 2008 was 10,718,800, an increase of 5,900 on the number employed in June 2008 (10,712,900).

### Employed persons, Trend, South Australia

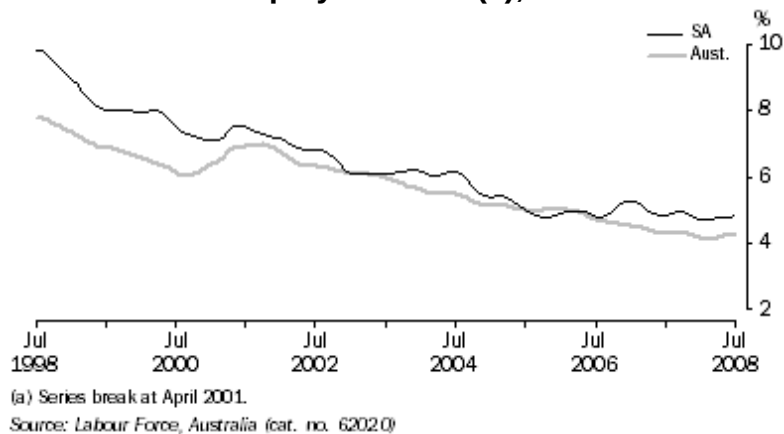


The number of males employed full-time in South Australia in July 2008 was 359,400 (in trend terms), an increase from 357,900 in June 2008. The number of females employed full-time in South Australia in July 2008 was 183,400 (in trend terms), a decrease from 183,600 in the previous month.

### UNEMPLOYMENT

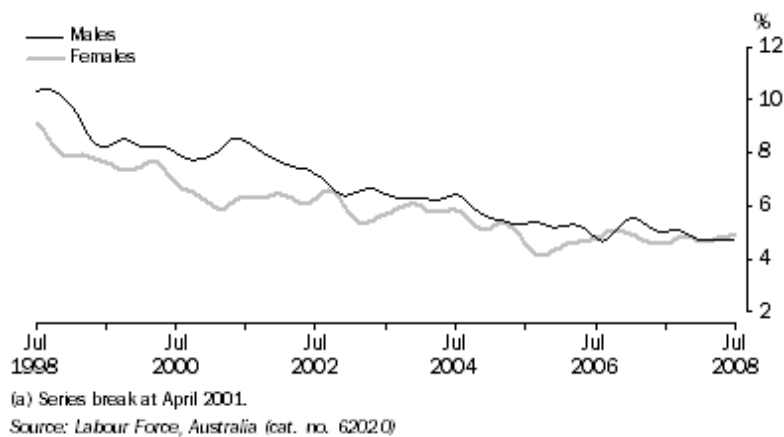
The trend estimate unemployment rate for South Australia remained steady at 4.8% in July 2008. Australia's unemployment rate also remained unchanged from June 2008 to July 2008 at 4.3%.

### Unemployment rate(a), Trend



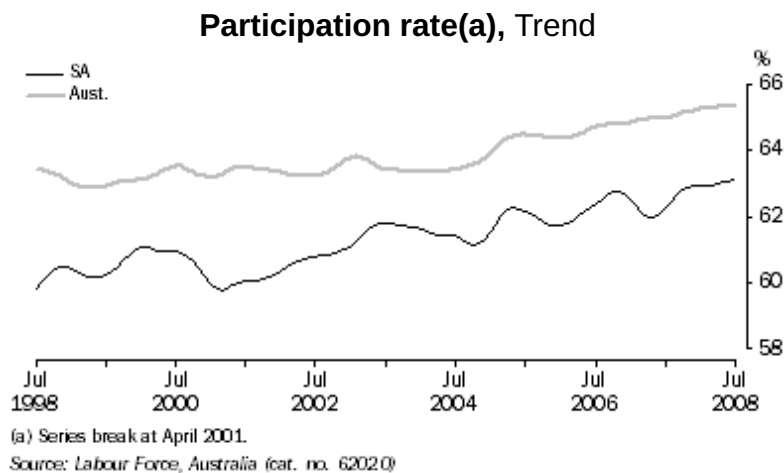
For South Australia, the trend unemployment rate for males remained steady from June 2008 to July 2008 at 4.7%. This has remained unchanged at 4.7% since January 2008. The trend unemployment rate for females also remained unchanged from June 2008 to July 2008 at 4.9%.

### Unemployment rate, Trend, South Australia



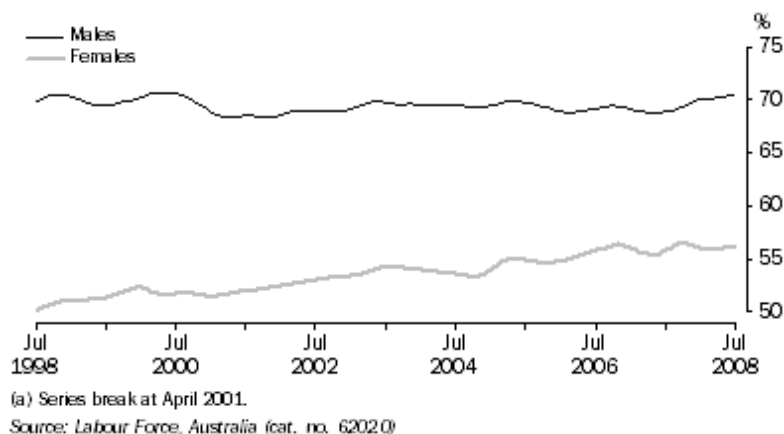
## PARTICIPATION RATE

The trend estimate of the participation rate for South Australia in July 2008 was 63.1%, the same as in June 2008. Australia's trend participation rate also remained steady from June 2008 to July 2008 at 65.3%.



For South Australia, the trend participation rate for males increased slightly from 70.4% in June 2008 to 70.5% in July 2008. The Australian participation rate for males has been consistently higher than that for South Australia, and was steady at 72.4% in July 2008. The participation rate for South Australian females remained steady at 56.0% from June 2008 to July 2008. The Australian female participation rate also remained steady over this period at 58.4%.

## Participation rate(a), Trend, South Australia



## Incomes



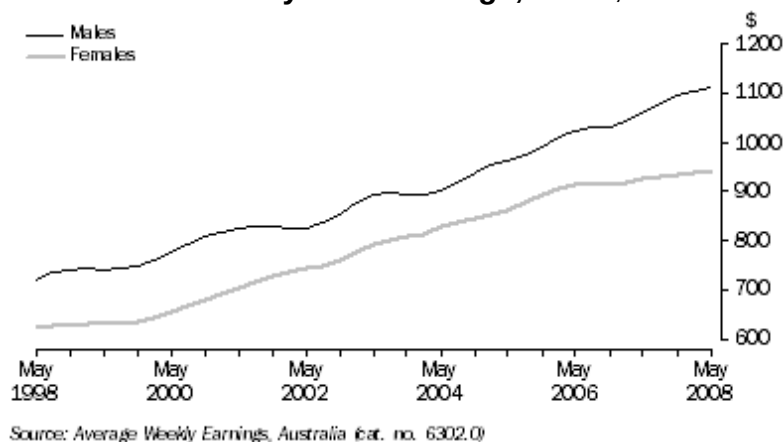
### INCOMES

#### AVERAGE WEEKLY EARNINGS

The trend estimate of average weekly (ordinary time) earnings for full-time adult persons in South Australia increased by 3.3% to \$1,049.30 in the 12 months to May 2008. Nationally, the corresponding increase was slightly more at 3.9% (up to \$1,132.20).

In the 12 months to May 2008, average weekly earnings in South Australia for males increased by 4.8% while earnings for females increased by 1.2%. At May 2008, male average weekly earnings (\$1,111.40) in South Australia were 18.6% higher than the corresponding female earnings (\$937.20). Nationally, in May 2008 male average weekly earnings (\$1,203.10) were 19.1% higher than the female earnings (\$1,010.00).

#### Full-time adult ordinary time earnings, Trend, South Australia



For information on the wage price index, please refer to the '[Price Indexes](#)' topic.



# State Accounts



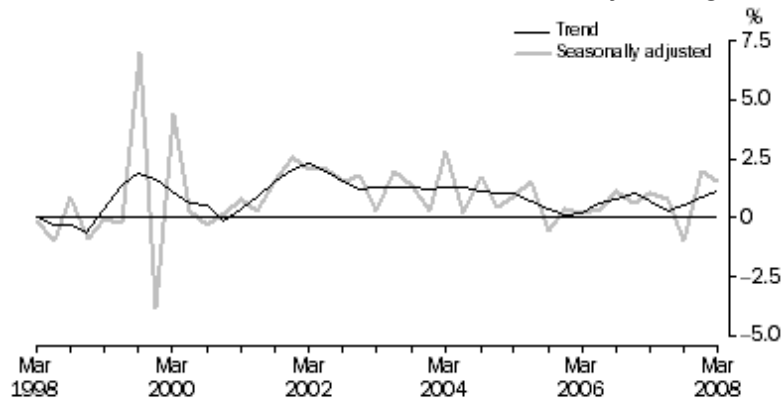
## STATE ACCOUNTS

### STATE ACCOUNTS

South Australia's March quarter 2008 State Final Demand in chain volume (trend) terms was \$17,889m, a 1.1% increase from the December quarter 2007. This was slightly higher than the increase recorded in Australia's Domestic Final Demand which was up 1.0% to \$269,473m in the March quarter 2007.

Of the other states and territories, the strongest growth for the quarter was reported in Tasmania (up 1.6%), followed by Queensland and the Northern Territory (up 1.3%).

#### State Final Demand, Chain volume measures, Quarterly change, South Australia

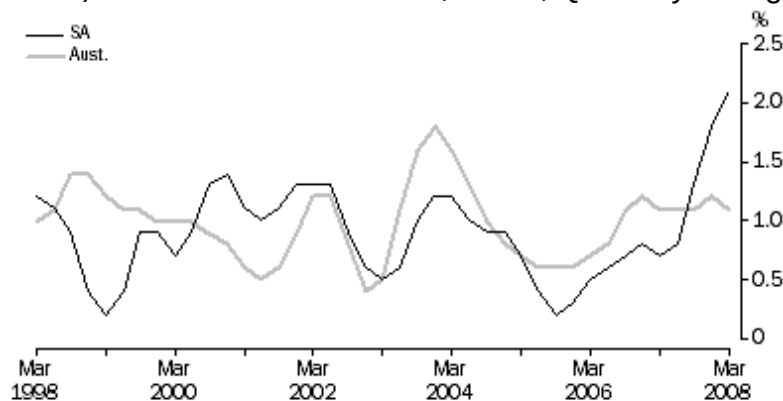


Source: Australian National Accounts: National Income, Expenditure and Product (cat. no. 5206.0)

### HOUSEHOLD FINAL CONSUMPTION EXPENDITURE (HFCE)

In chain volume (trend) terms, South Australia's March quarter 2008 HFCE was \$10,766m (7.2% of the national total of \$149,747m). This was a 2.1% increase from the December quarter 2007 for South Australia. For Australia, the increase was 1.1%.

#### HFCE, Chain volume measures, Trend, Quarterly change



Source: Australian National Accounts: National Income, Expenditure and Product (cat. no. 5206.0)

The largest increases in expenditure in South Australia for the March quarter 2008 were for Hotels, cafes and restaurants (up 10.2% from the December quarter 2007), and Recreation and culture (up 4.0%). Expenditure on Transport services decreased 2.6% over this period.

For Australia, the largest increase was for Purchase of vehicles (up 2.2% from the December quarter 2007) followed by Health (up 1.8%). Expenditure on Transport services decreased 0.9% from the December quarter 2007 and the March quarter 2008.

#### HFCE, Chain volume measures, Trend, Quarterly change, South Australia - March 2008



Source: Australian National Accounts: National Income, Expenditure and Product (cat. no. 5206.0)

## Consumption

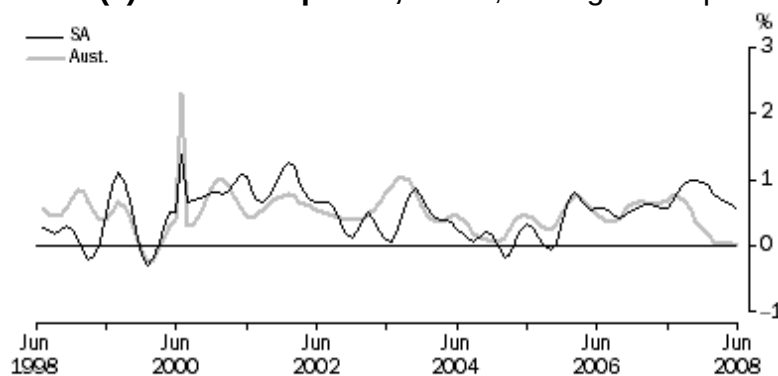


### CONSUMPTION

#### RETAIL TRADE

The June 2008 trend estimate for South Australia's retail turnover was \$1,457.4m, while the estimate for Australia was \$20,113.4m. From May 2008, the increase in turnover for South Australia across all retail industries was 0.5%, while turnover for Australia was unchanged.

#### Retail turnover(a) at current prices, Trend, Change from previous month



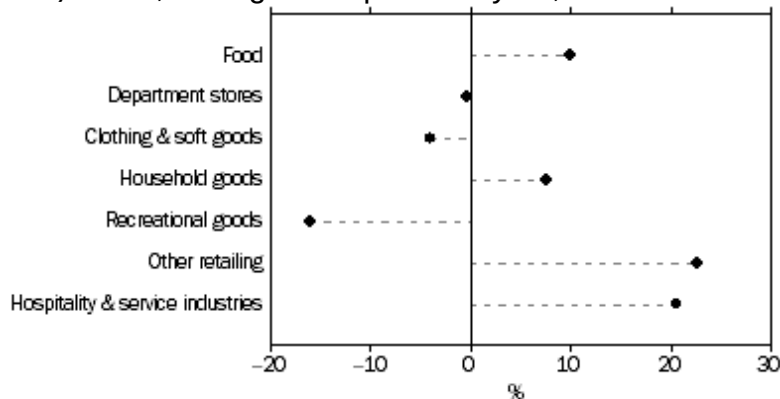
(a) Break in trend series from July 2000.

Source: Retail Trade, Australia (cat. no. 8501.0)

Comparing June 2008 with June 2007, the two South Australian industry groups with the largest percentage increases in retail turnover (trend) were Other retailing, rising by 22.6% (to \$151.9m), and Hospitality and service industries, rising by 20.6% (to \$238.4m). (Other retailing includes a number of components of retailing such as Pharmaceutical, cosmetic and toiletry retailing, Watch and jewellery retailing and Garden supplies retailing. For further information on what is included in Other retailing, refer to the **Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006**)

The South Australian industry group which reported the largest decrease in retail turnover (trend) was Recreational goods retailing, which decreased by 16.0% to \$43.5m.

#### Retail turnover, Trend, Change over previous year, South Australia - June 2008

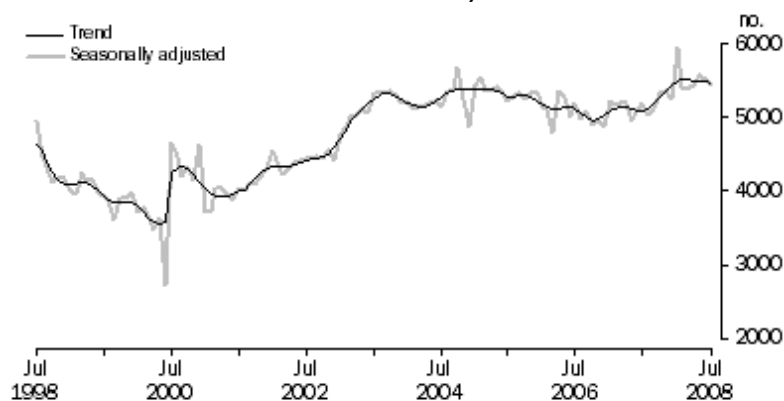


Source: Retail Trade, Australia (cat. no. 8501.0)

#### NEW MOTOR VEHICLE SALES

In July 2008, 3,279 new passenger vehicles and 5,461 new vehicles in total (in trend terms) were sold in South Australia. Corresponding sales for Australia were 51,699 and 86,772. The trend estimate for total new vehicle sales in Australia has continually decreased since January 2008, while sales in South Australia have remained relatively flat.

#### New Motor Vehicle Sales, South Australia



Source: Sales of New Motor Vehicles, Australia (cat. no. 9314.0)

# Investment



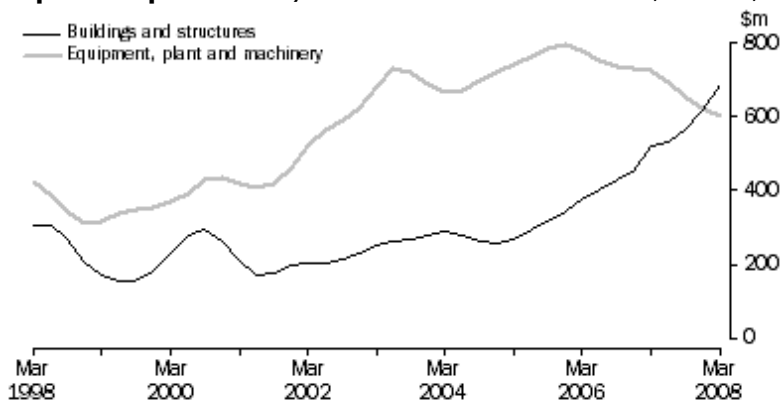
## INVESTMENT

### PRIVATE NEW CAPITAL EXPENDITURE

Between the December 2007 and March 2008 quarters, the South Australian chain volume (trend) estimate of private new capital expenditure increased by 3.7% to \$1,289m. Expenditure on Equipment, plant and machinery decreased by \$19m (or 3.2%) to \$603m, while expenditure on Buildings and structures increased by \$66m (or 10.6%) to \$686m. This is the first time since the March quarter 1993 that expenditure on Buildings and structures exceeded Equipment, plant and machinery.

Between the December 2007 and March 2008 quarters, private new capital expenditure for Australia increased by 0.4% to \$20,648m. Expenditure on Buildings and structures increased 1.3%, while Equipment, plant and machinery expenditure decreased 0.2% over this period.

#### Private New Capital Expenditure, Chain volume measures, Trend, South Australia



Source: Private New Capital Expenditure and Expected Expenditure, Australia (cat. no. 5625.0)

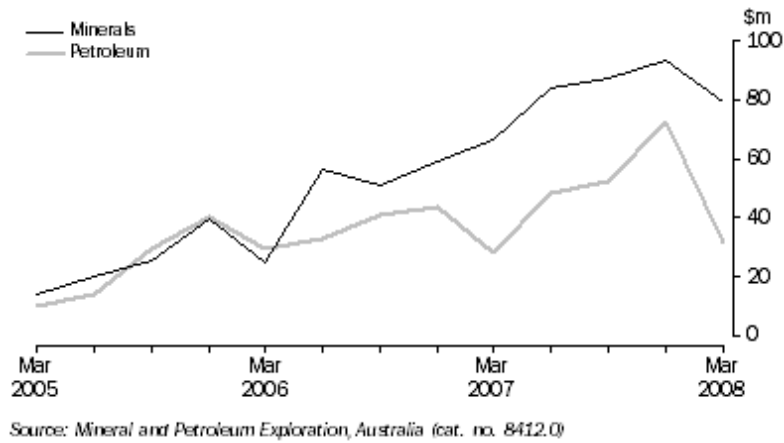
### MINERAL AND PETROLEUM EXPLORATION EXPENDITURE

The value of mineral exploration expenditure in South Australia in the March quarter 2008 was \$79.3m (in original terms), down 15.2% from the December quarter 2007. Over the same period, Australian expenditure on mineral exploration decreased 13.1% from \$625.9m in the December quarter 2007 to \$544.0m in March quarter 2008.

The main minerals sought in South Australia in the March quarter 2008 were uranium (\$26.2m exploration expenditure), copper (\$18.6m) and gold (\$15.9m).

Expenditure on petroleum exploration in South Australia in the March quarter 2008 was \$31.8m, down 56.1% from the December quarter 2007. Nationally, expenditure on petroleum exploration decreased 7.9% from \$770.0m in the December quarter 2007 to \$709.4m in the March quarter 2008.

#### Mineral and Petroleum Exploration Expenditure, Original, South Australia



## Construction

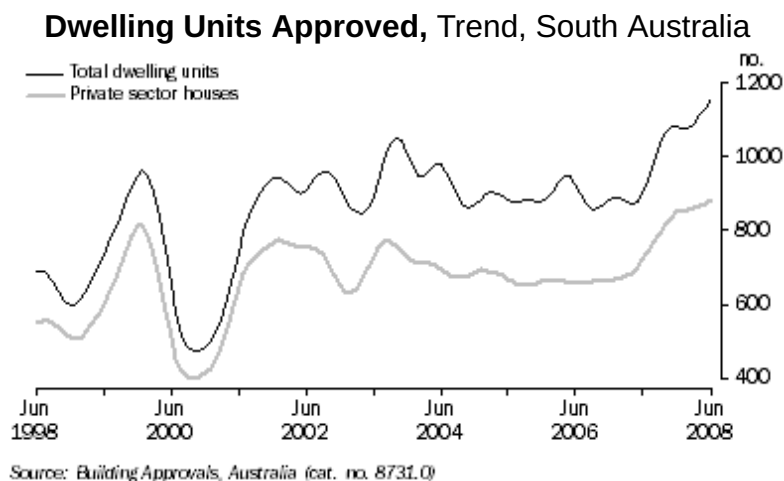


### CONSTRUCTION

#### BUILDING APPROVALS

In June 2008, the total number of dwelling units approved in South Australia (in trend terms) was 1,159. Nationally, the total number of dwelling units approved (in trend terms) was 12,415.

The trend estimate for the number of private sector houses approved in South Australia in June 2008 was 884.



In the year ended June 2008, the largest increase in dwelling units approved in South Australia was recorded for the Eyre Statistical Division (SD) (60.3%). This follows a 33.4% fall in the number of dwelling units approved in the Eyre SD in the year ending June 2007. The Murray Lands SD recorded the largest decrease in dwelling units approved in the year ended June 2008 (down 24.2%), following a 41.3% increase in the year ended June 2007.

## Dwelling Units Approved, by Statistical Division (SD), Original, South Australia

	Year ended June 2007		Year ended June 2008	
	Dwelling units	Change over previous year	Dwelling units	Change over previous year
	no.	%	no.	%
Adelaide	7 171	-7.7	9 028	25.9
Outer Adelaide	1 553	-5.7	1 632	5.1
Yorke and Lower North	465	-14.0	622	33.8
Murray Lands	664	41.3	503	-24.2
South East	356	-7.3	389	9.3
Eyre	209	-33.4	335	60.3
Northern	388	15.8	488	25.8
<b>South Australia</b>	<b>10 806</b>	<b>-5.7</b>	<b>12 997</b>	<b>20.3</b>

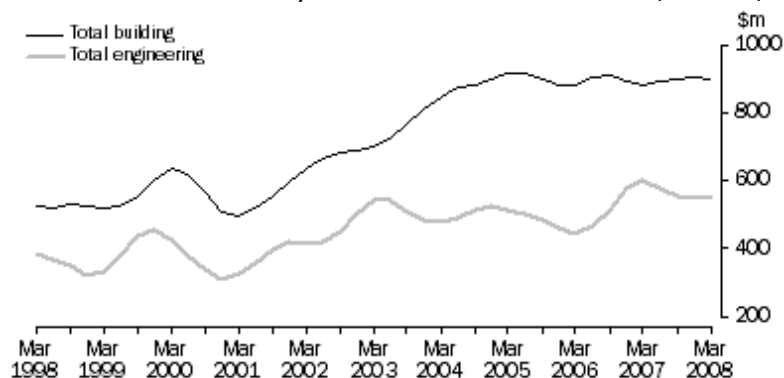
Source: Building Approvals, Australia - data available on request

[Map of South Australia's Statistical Divisions](#) (PDF 2.44MB)

## CONSTRUCTION WORK DONE

In the March quarter 2008, the total value of building work done (in trend terms) in South Australia was \$899.4m, a decrease of 0.3% from the previous quarter. Engineering work done in this quarter was \$556.0m, an increase of 1.7% from the December quarter 2007 (\$546.7m).

**Value of construction work done, Chain volume measures, Trend, South Australia**



Source: Building Activity, Australia (cat. no. 8752.0), Engineering Construction Activity, Australia (cat. no. 8762.0)

## Price Indexes



### PRICE INDEXES

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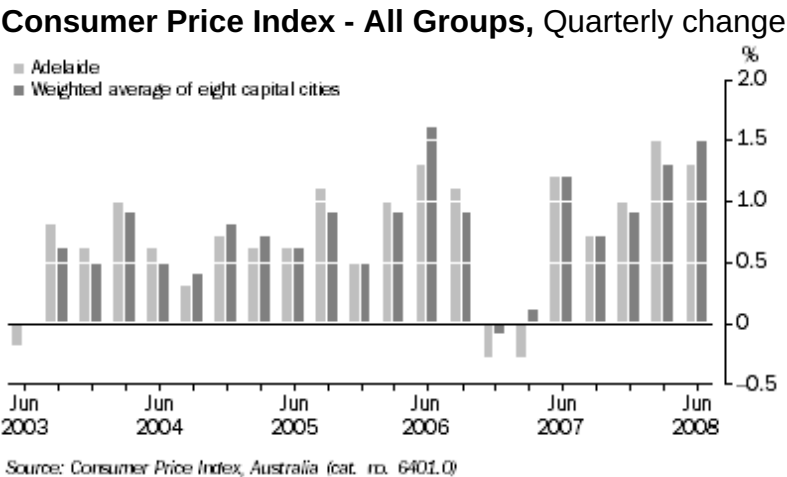
Consumer price index

Wage price index

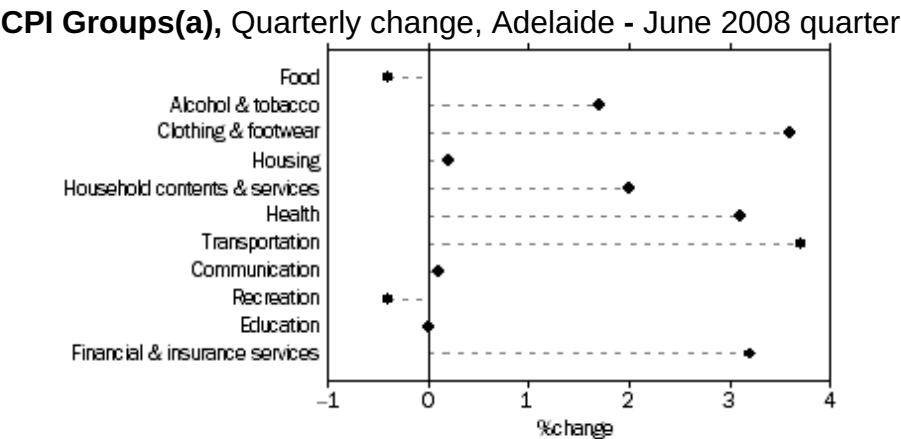
House price index

**CONSUMER PRICE INDEX**

The all groups consumer price index (CPI) for Adelaide rose 1.3% in the June quarter 2008 while the weighted average of eight capital cities rose by 1.5% in the quarter. Adelaide's CPI increased by 4.6% through the year to the June quarter 2008, compared with a 4.5% rise in the weighted average of eight capital cities.



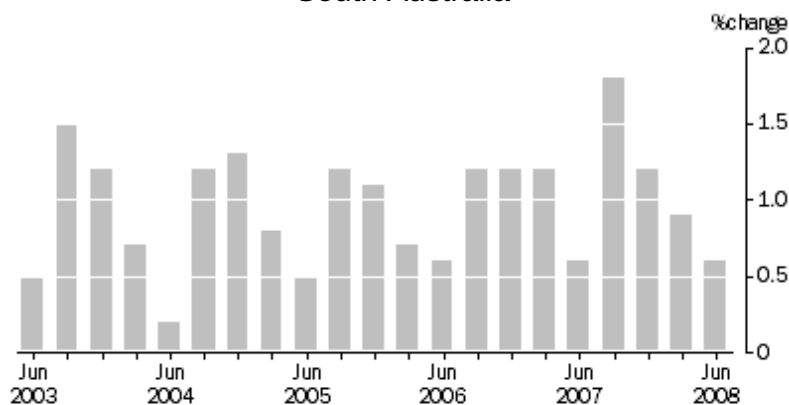
Adelaide's largest percentage increases in prices from the previous quarter were in the areas of Transportation (3.7%), Clothing and Footwear (3.6%), and Financial and Insurance Services (3.2%). The largest decreases in prices from the previous quarter were for Food (-0.4%) and Recreation (-0.4%).



**WAGE PRICE INDEX**

The wage price index for all employee jobs in South Australia increased by 0.6% (in original terms) from the March quarter 2008 to the June quarter 2008. This was less than the increase nationally (0.9%) over this period.

## Wage Price Index quarterly changes, Total hourly rates of pay excluding bonuses, Original, South Australia



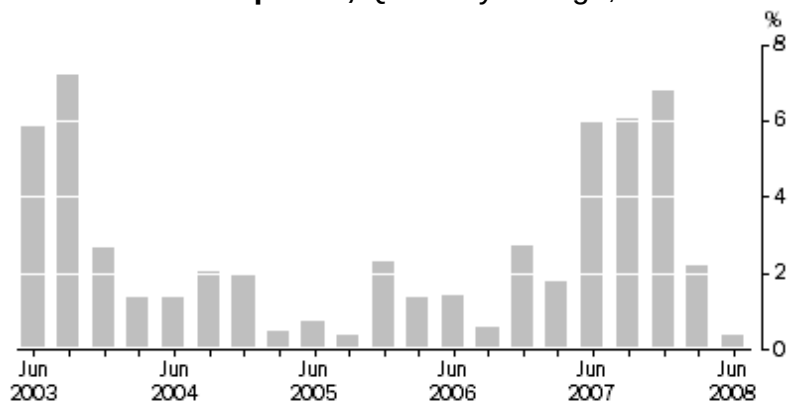
Source: Labour Price Index, Australia (cat. no. 6345.0)

## HOUSE PRICE INDEX

Preliminary estimates show that the price index for established houses for Adelaide (in original terms) increased 0.4% in the June quarter 2008. Over this period, the price index for the weighted average of eight capital cities decreased by 0.3%.

Over the year to the June quarter 2008, the preliminary estimates show the price index for established houses for Adelaide rose 16.2%, while the weighted average of eight capital cities increased 8.2%. House prices rose more in Adelaide than in any other capital city over the year to the June quarter 2008.

### Established house prices, Quarterly change, South Australia



Source: House Price Indexes: Eight Capital Cities (cat. no. 6416.0)

## Housing Finance



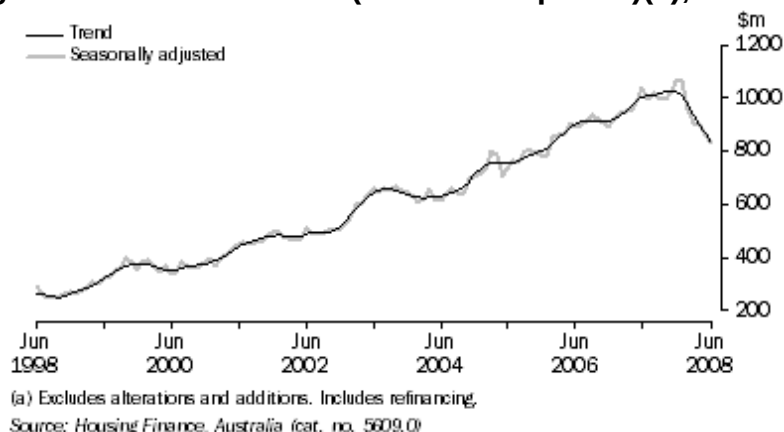
### HOUSING FINANCE

### HOUSING FINANCE COMMITMENTS



In trend terms, the total value of housing finance commitments (owner occupation) in South Australia in June 2008 was \$835m, a decrease of 3.4% from \$864m in May 2008. This was the seventh consecutive monthly fall in the value of housing finance commitments (owner occupation). Nationally, the value of housing finance commitments for owner occupation fell by 3.6% from \$12,930m in May 2008 to \$12,470m in June 2008.

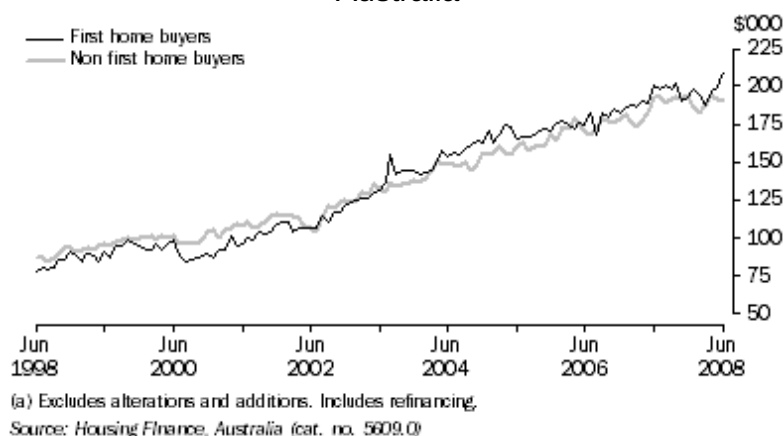
### Housing finance commitments (owner occupation)(a), South Australia



In June 2008, the average home loan commitment for owner occupied dwellings in South Australia was \$193,100, significantly lower than the \$246,900 for the average home loan commitment in Australia. Over the past year, there has been little change in the average loan size for owner occupied dwellings in South Australia; the average loan size in June 2008 (\$193,100) was slightly lower than that of June 2007 (\$193,500).

In June 2008, the average loan size for first home buyers in South Australia was \$209,300, 10.0% higher than the \$190,300 for non-first home buyers. From May 2008 to June 2008, the average loan size for first home buyers increased 5.0%, while the average loan size for non-first home buyers decreased 0.6%.

### Housing finance commitments (owner occupation)(a), Average loan size, Original, South Australia



For information on the house price index, please refer to the '[Price Indexes](#)' topic.

# International Merchandise Trade



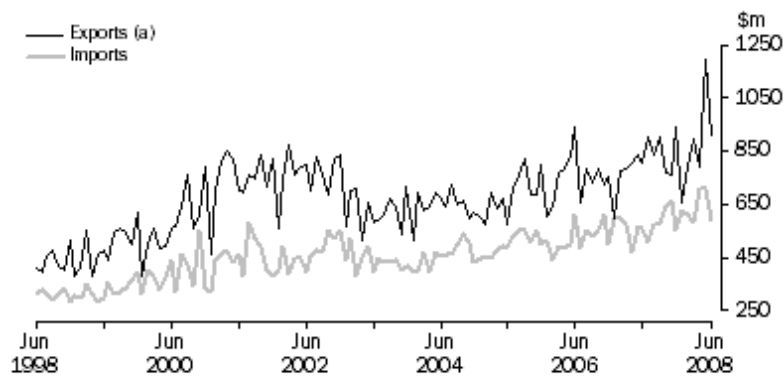
## INTERNATIONAL MERCHANDISE TRADE

### EXPORTS AND IMPORTS

South Australia's value of exports on a recorded trade basis in June 2008 was \$906m, an increase of 13.0% from the value of exports in June 2007 (\$802m). The value of Australian merchandise exports for June 2008 was \$17,574m, a 26.8% increase from June 2007 (\$13,861m).

The value of South Australian merchandise imports increased to \$588m in June 2008 from \$558m in June 2007, an increase of 5.4%. The value of Australian merchandise imports for June 2008 was \$17,527m, a 13.7% increase from June 2007 (\$15,412m).

### Value of International Merchandise Exports and Imports, on a recorded trade basis, South Australia



(a) Where the final stage of production or manufacture occurs in South Australia.

Source: *International Trade in Goods and Services, Australia* (cat. no. 5368.0)

## Water

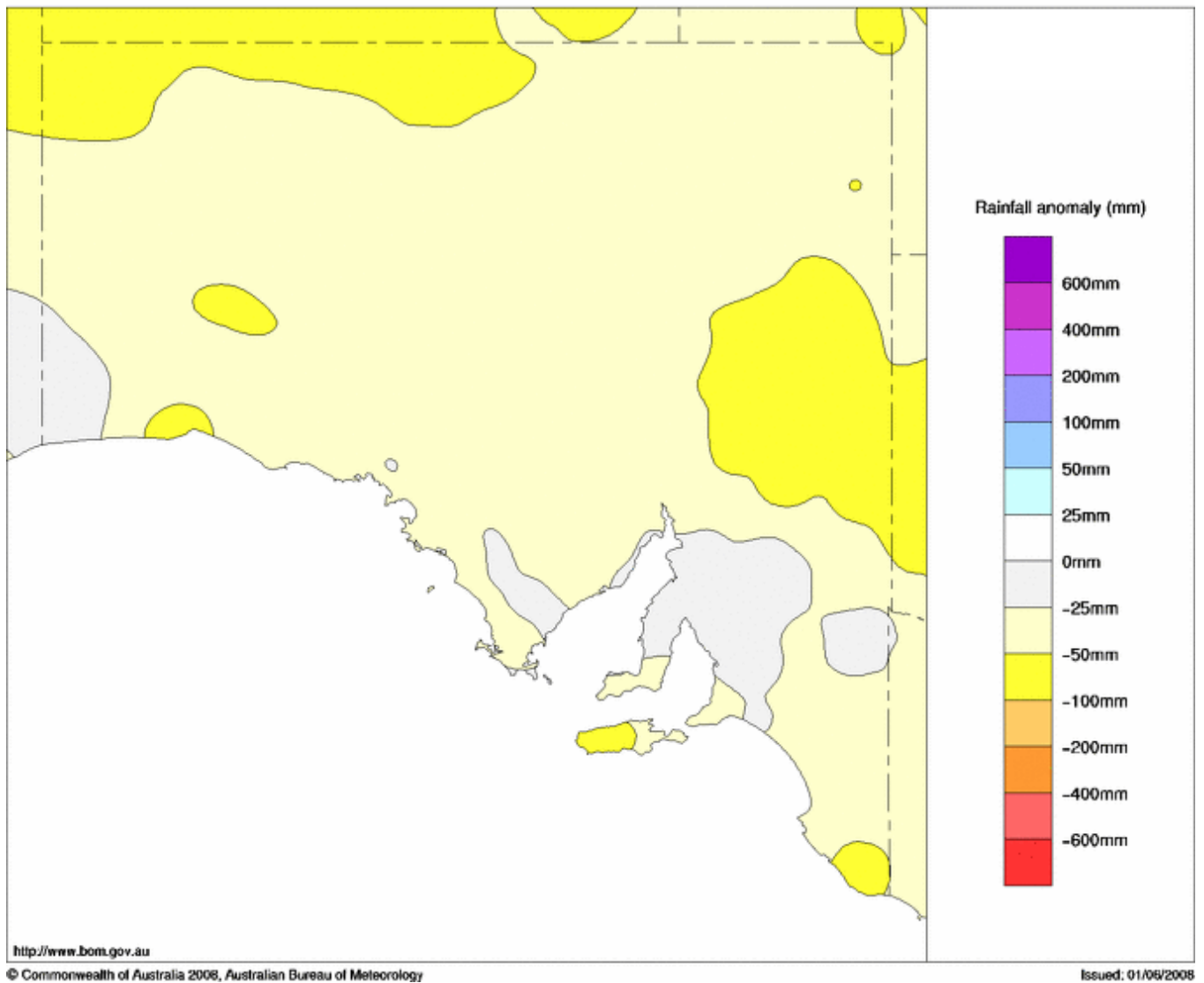


## WATER

### RAINFALL

The Bureau of Meteorology's [Seasonal Climate Summary for South Australia](#) for Autumn 2008 reported that the season's rainfall was generally below average apart from the Mid North, Adelaide region and the Lower Southeast. Rainfall was generally below average across the Pastoral Districts this Autumn.

South Australian Rainfall Anomalies 1 March to 31 May 2008  
Product of the National Climate Centre

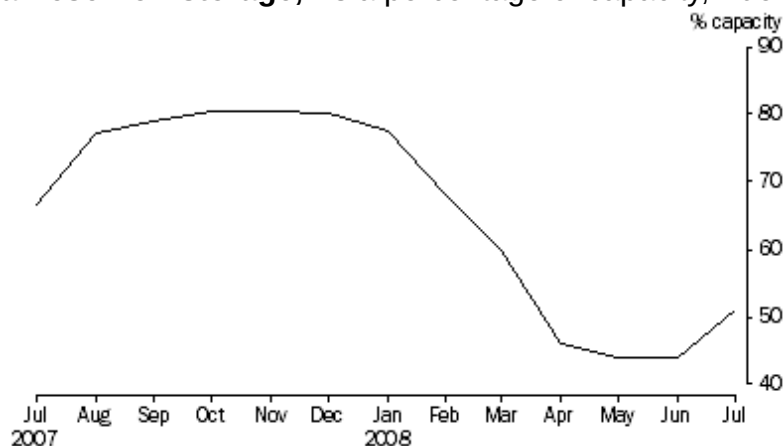


Source: 3-monthly rainfall anomalies for South Australia, Australian Bureau of Meteorology.

## RESERVOIR LEVELS

The total water storage in Adelaide's reservoirs at the end of July 2008 was 51% of capacity, compared with 77% at the same time in 2007. By August 20 2008, the total water storage in Adelaide's reservoirs had increased to 62% of capacity.

**Total reservoir storage, As a percentage of capacity, Adelaide**



Source: [SA Water daily reservoir levels](#)

## About this Release

SA Stats provides an overview of the South Australian population and economy. The publication is updated on a monthly basis, with most releases also featuring an article that provides a South Australian focus on economic, social and environmental issues.

Explanatory Notes are not included in SA Stats in the form found in other Australian Bureau of Statistics (ABS) publications. Readers are directed to the Explanatory Notes contained in related ABS publications.

Replaces: South Australian Economic Indicators (cat. no. 1307.4)

## South Australia's Agriculture Industry (Feature Article)

### FEATURE ARTICLE: SOUTH AUSTRALIA'S AGRICULTURE INDUSTRY

#### INTRODUCTION

The agriculture industry in South Australia experienced a downturn during 2006-07 as a result of severe drought conditions through 2006. This article provides an overview of South Australia's agriculture industry using data from multiple sources, with an overview of how it has changed over the ten years between 1996-97 and 2006-07. Key points from the article include:

- In 2006-07, income from the South Australian agriculture industry was \$596m, a decrease of 51.7% from 2005-06.
- The main agricultural commodities produced in South Australia in 2006-07 were grapes and wheat.
- The value of agricultural exports as a proportion of total exports for South Australia has steadily decreased over the last five years, from 18.2% in 2001-02 to 7.5% in 2006-07.
- The average number of people employed in the agriculture industry has decreased over the last decade, from 45,064 people in 1996-97 to 31,870 people in 2006-07.

#### SOUTH AUSTRALIA'S AGRICULTURAL LAND

In 2006-07, South Australia had 50m hectares of agricultural land and close to 16,000 agricultural establishments. Three-quarters (75.8%) of the agricultural area in South Australia is located in the Northern Statistical Division, but only 7.7% of agricultural establishments are in this region.

[Map of South Australia's Statistical Divisions](#) (PDF 2.44MB)

## Agricultural land and holdings, by Statistical Division, South Australia - 2006-07

	Area of holding (ha)	Establishments (Number)
South Australia	50 064 634	15 835
Statistical Divisions		
Adelaide	34 692	1 344
Outer Adelaide	648 355	3 323
Yorke and Lower North	2 068 247	2 234
Murray Lands	3 271 603	3 681
South East	1 895 334	2 562
Eyre	4 180 168	1 480
Northern	37 966 236	1 212

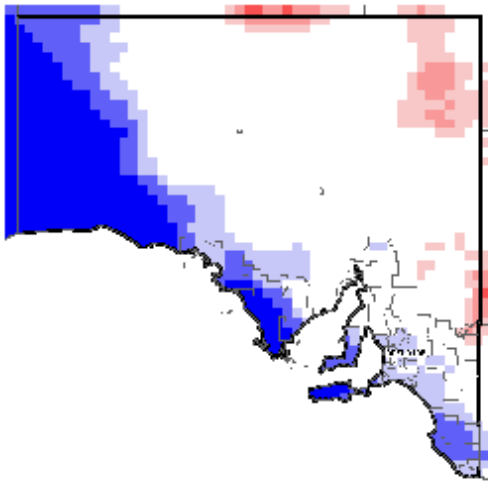
Source: Agricultural Commodities: Small Area Data, Australia, 2006-07 (cat. no. 7125.0)

### THE 2006 DROUGHT

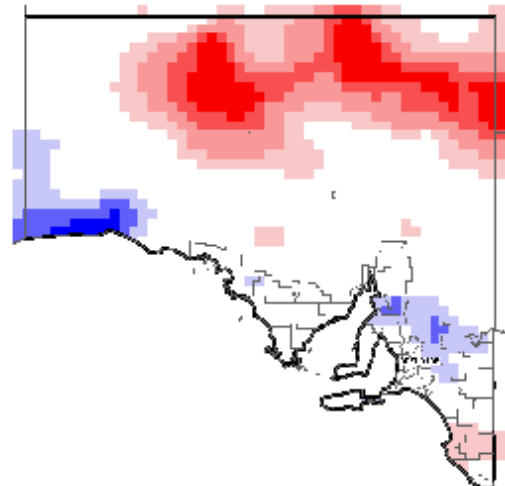
The Bureau of Meteorology defines a drought as 'a prolonged, abnormally dry period when there is not enough water for users' normal needs.' (Bureau of Meteorology, 2008). During 2006, South Australia experienced very dry conditions, with many areas of the state receiving only about 50% of their annual average rainfall, according to the Bureau of Meteorology.

The following maps show seasonal rainfall in South Australia in 2006 and how rainfall totals deviated from historical averages. During Autumn, most of the state experienced average to below average rainfall and in Winter, rainfall was well below average and particularly deficient over agricultural areas of the state. During Spring 2006, most areas of South Australia experienced rainfall totals which were well below average, with many centres recording their lowest totals on record.

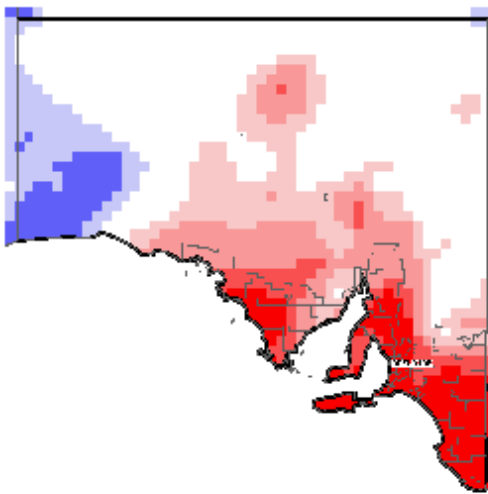
### Seasonal rainfall percentiles in SA during 2006



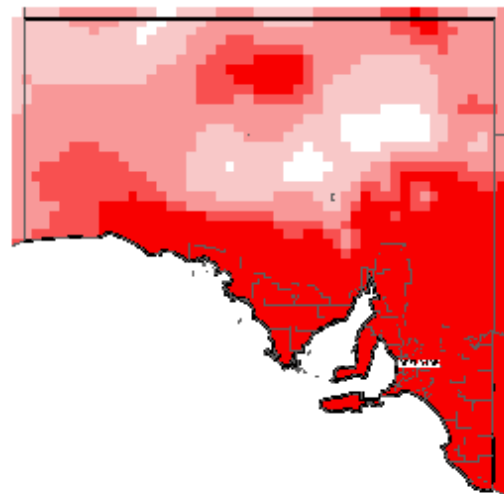
Dec 2005 - Feb 2006 (Summer)



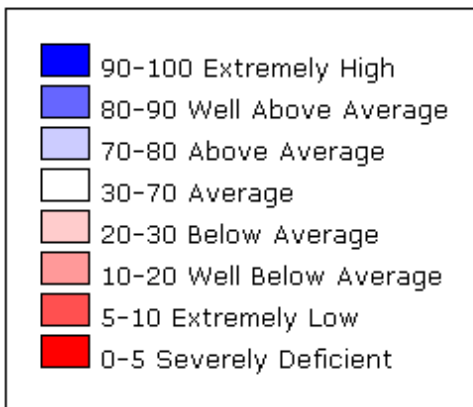
Mar 2006 - May 2006 (Autumn)



Jun 2006 - Aug 2006 (Winter)



Sep 2006 - Nov 2006 (Spring)



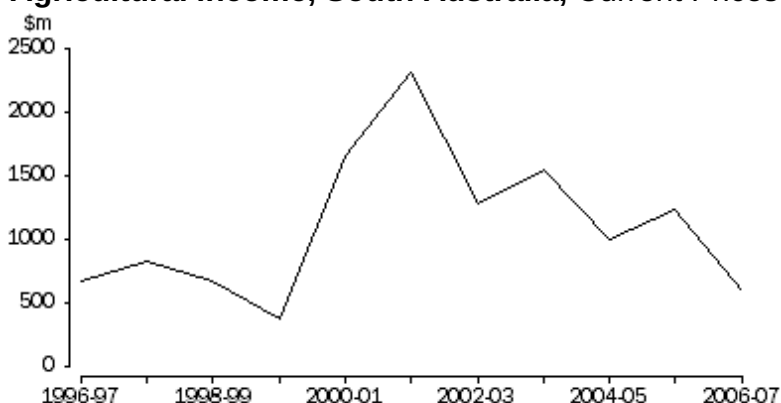
Source: National Agricultural Monitoring System 2008

## Agricultural income

Agricultural income can be defined as the income that is left to farmers after all their operating costs have been met (ABS, 2006). Agricultural income tends to vary significantly from year to year due to variations in agricultural production and the prices farmers receive for their products. The drought conditions during 2006 had a substantial effect on the income of South Australian farmers in 2006-07. As shown in the graph below, agricultural income (in current prices) decreased by 51.7% from \$1,233m in 2005-06 to \$596m in 2006-07. There

has been a general decline in income from the agriculture industry over the last six years from a peak of \$2,311m in 2001-02.

**Agricultural income, South Australia, Current Prices**



Source: ABS, Australian National Accounts: State Accounts, data available on request

## Commodities produced

The fall in agricultural income in 2006-07 was primarily due to a fall in the volume of agricultural commodities produced in South Australia. The following table shows the volume and value of selected agricultural commodities produced in South Australia. The commodities shown are generally the highest valued agricultural commodities produced in South Australia.

Over the last 10 years, wheat has generally been one of the highest valued agricultural commodities produced in South Australia. However, the value of wheat produced in 2006-07 was only \$341m, down from \$829m in 2005-06. This was by far the lowest value of wheat production in South Australia over the decade beginning 1996-97. Only 1.4m tonnes of wheat were produced in South Australia in 2006-07, down markedly from the 3.9m tonnes in 2005-06.

Similarly, the volume of grapes produced in South Australia decreased from 886,000 tonnes in 2005-06 to 586,000 tonnes in 2006-07. The value of grape production was down 28% during this period, from \$598m in 2005-06 to \$430m in 2006-07.

The gross value of sheep/lambs and cattle/calves has increased over the last ten years and despite the drought, has remained relatively stable since 2004-05. However, the number of livestock slaughterings did increase in 2006-07. The number of sheep/lambs slaughtered in 2006-07 was 4,666, up from 4,171 in 2005-06. According to the Australian Bureau of Agricultural and Resource Economics (ABARE), the drought has reduced the quantity and quality of pasture available, which has led to farmers reducing their livestock numbers by selling lamb and cattle for slaughter (ABARE, 2007). The production of lamb and cattle is likely to be reduced in the next few years as producers reduce sales in order to rebuild livestock numbers for breeding (ABARE 2007).

## Main agricultural commodities produced in South Australia, Volume and gross value

Year	Grapes		Wheat		Barley		Sheep/Lambs		Cattle/Calves	
	('000t)	(\$m)	('000t)	(\$m)	('000t)	(\$m)	('000)	(\$m)	('000)	(\$m)
1996-97	n.a.	298.3	n.a.	602.1	n.a.	358.6	2 731	134.5	384	137.6
1997-98	461	473.9	2 689	542.2	2 027	328.5	3 143	175.9	393	158.2
1998-99	497	540.3	3 310	641.0	2 501	303.5	3 487	148.2	298	129.4
1999-00	483	471.8	2 586	534.7	1 409	243.7	4 059	137.9	332	187.5

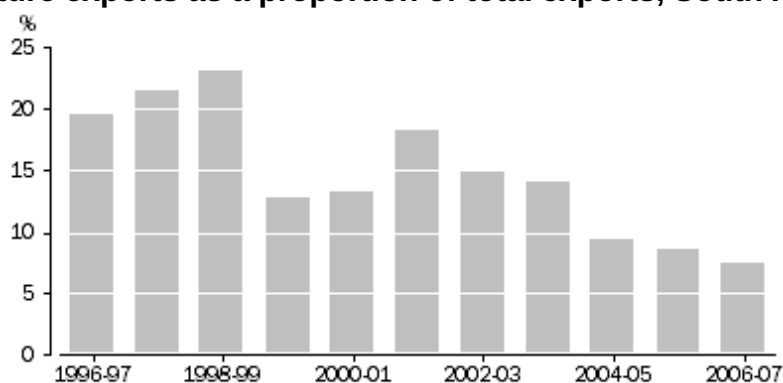
2000-01	676	752.4	4 162	1 069.3	2 320	495.7	4 364	192.8	328	230.5
2001-02	698	693.5	4 778	1 309.6	2 782	587.6	4 268	329.8	342	272.6
2002-03	617	597.0	2 072	543.6	1 440	383.9	3 983	333.7	370	233.5
2003-04	886	788.9	3 490	781.9	2 691	453.4	3 863	315.7	350	242.8
2004-05	862	670.3	2 621	531.1	1 979	304.1	4 155	303.9	364	276.6
2005-06	886	597.7	3 853	829.3	2 548	403.8	4 171	307.0	329	266.1
2006-07	586	430.1	1 446	340.5	996	226.4	4 666	307.5	347	286.3

Source: Agriculture Commodities, Australia (cat. no. 7121.0), Historical Selected Agricultural Commodities, by state (1861 to present), 2005 (cat. no. 7124.0), Livestock Products, Australia (cat. no. 7215.0), Value of Agricultural Commodities Produced, Australia (cat. no. 7503.0)

## Exports

The value of agricultural exports from South Australia in 2006-07 was \$678m, constituting 7.5% of all exports from South Australia. The value of agricultural exports as a proportion of total exports for South Australia has steadily decreased over the last five years from 18.2% in 2001-02 to 7.5% in 2006-07.

### Agriculture exports as a proportion of total exports, South Australia

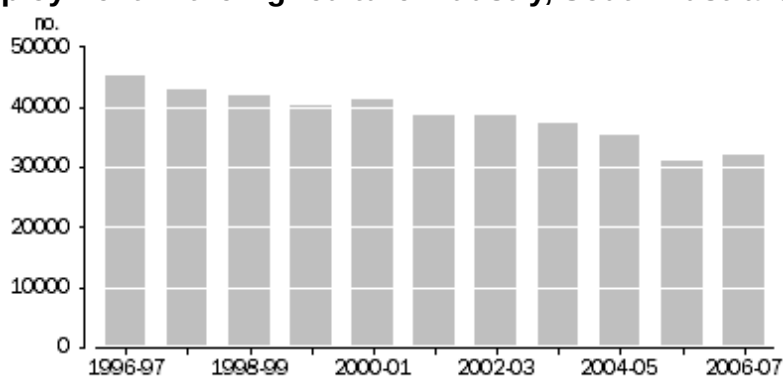


Source: ABS, International Trade in Goods and Services (cat. no. 5368.0), data available on request.

## Employment

In 2006-07, the average number of people employed in the agriculture industry was 31,870 people. Over the last decade, there has been a gradual decline in employment from an average of 45,064 people employed in 1996-97.

### Employment in the Agriculture industry, South Australia (a)



(a) Average of four quarters.

Source: ABS, Labour Force, Australia, Detailed, Quarterly (cat. no. 6291.0.55.003)



The decline in the number of people employed in the agriculture industry has been mainly due to a fall in Own account workers (workers who operate their own economic enterprise and hire no employees). There were 24,203 persons employed in the agriculture industry as Own account workers in 1996-97, but by 2006-07 this had fallen to 11,679. The number of Employees in the agriculture industry actually increased during this period, from 12,396 in 1996-97 to 15,902 in 2006-07.

The agriculture industry includes a greater proportion of Employers and Own account workers compared to Other industries in South Australia. In 2006-07, 36.6% of those employed in SA's agriculture industry were Own account workers, while 11.5% were Employers and 49.9% were Employees. This compares to Other industries in South Australia as a whole, where 9.4% were Own account workers, 3.1% were Employers and 87.3% were Employees.

### **Employment type for Agriculture industry and Other industries, South Australia - 2006-07**

	<b>Agriculture industry</b>				<b>Other industries(a)</b>			
	<b>1996-97</b>		<b>2006-07</b>		<b>1996-97</b>		<b>2006-07</b>	
	no.	%	no.	%	no.	%	no.	%
Employee	12 396	27.5	15 902	49.9	524 875	86.3	659 333	87.3
Employer	5 059	11.2	3 672	11.5	19 786	3.3	23 263	3.1
Own account workers	24 203	53.7	11 679	36.6	59 020	9.7	71 190	9.4
Contributing family workers	3 406	7.6	617	1.9	4 551	0.7	1 647	0.2
<b>Total(b)</b>	<b>45 064</b>	<b>100.0</b>	<b>31 870</b>	<b>100.0</b>	<b>608 231</b>	<b>100.0</b>	<b>755 433</b>	<b>100.0</b>

(a) Includes industry not stated

(b) Includes employment status not stated

Source: Labour Force, Australia, Detailed, Quarterly (cat. no. 6291.0.55.003)

## **Conclusion**

The 2006 drought has had an impact on the agriculture industry in South Australia, which experienced a significant drop in income in 2006-07. Agricultural exports as a proportion of all South Australian exports have more than halved over the last decade and employment in the agriculture industry has gradually decreased. Although many of South Australia's main commodities including grapes, wheat and barley showed large decreases in production and gross value, the gross value of livestock increased slightly due to a high rate of slaughtering as a result of the dry conditions. However, the production of lamb and cattle is likely to be reduced in the next few years as producers reduce sales in order to rebuild livestock numbers for breeding (ABARE, 2007).

## **Sources**

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National Agricultural Monitoring System (NAMS), 2008, viewed 2 May 2008, <<http://www.nams.gov.au>>

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